



Organization of MISO States

**ORGANIZATION OF MISO STATES, INC.
Board of Directors Meeting
Conference Call Minutes
March 12, 2009**

Approved April 9, 2009

Lauren Azar, President of the Organization of MISO States, Inc. (OMS), called the March 12, 2009 meeting of the OMS Board of Directors to order via conference call at approximately 1:00 p.m. (CDT). The following board members or their proxies participated in the meeting:

Bob Lieberman, Illinois
Greg Server, Indiana
Darrell Hanson, Iowa
Bill Bowker, proxy for David Armstrong, Kentucky
Monica Martinez, Michigan
Tom Pugh, Minnesota
Jeff Davis, Missouri
Greg Jergeson, Montana
Jerry Lein, proxy for Tony Clark, North Dakota
Kim Wissman, proxy for Valerie Lemmie, Ohio
Tyrone Christy, Pennsylvania
Greg Rislov, proxy for Gary Hanson, South Dakota
Lauren Azar, Wisconsin

Absent

Manitoba

Agency members participating

Randy Rismiller - Illinois
Dave Johnston, Bob Pauley, Beth Rhoads - Indiana
Robb Mork, Andy Satchwell – Indiana OUC
Parveen Baig, Frank Bodine, Jeff Kaman – Iowa
Bill Bokram, Angie Butcher, Staff – Michigan
Burl Haar – Minnesota
Mike Proctor – Missouri
Tim Texel – Nebraska
Quanetta Batts – Ohio
Don Neumeyer, Randel Pilo, Jim Wottreng – Wisconsin

Others on the call

Bill Smith, Julie Mitchell – OMS Staff

The directors and proxies listed above established the necessary quorum for the meeting of at least eight directors being present.

Approval of Minutes from February 12 and February 24, 2009 Board of Directors meetings

Greg Jergeson moved to approve the February 12 minutes. Tom Pugh seconded. It was requested to amend the minutes to add Bill Bokram's name under agency members participating and to revise the reference to Markets Work Group in Business Items #5 and #6 to Markets and Tariffs Work Group. The motion was approved by unanimous voice vote.

Greg Jergeson moved to approve the February 24 minutes. Tom Pugh seconded. The minutes were approved by unanimous voice vote.

Treasurer's Report – Commissioner Pugh

The beginning balance as of February 1 for the Wells Fargo Business Performance Savings Account was \$59,512.06. Interest earned for this month was \$22.83. An additional miscellaneous deposit of \$20.00 was also made. The February 28, 2009 balance was \$59,554.89.

The beginning balance as of February 1 for the Chase Bank One Checking account was \$23,257.32. The total disbursements from the checking account for February 2009 were \$47,076.18. Deposits, interest and adjustments were \$80,000.51. As of February 28, 2009, the checking account bank balance was \$59,102.07 and the book balance was \$56,181.65 (with 6 checks outstanding).

The total savings and checking account balances as of February 28, 2009 is **\$115,736.54**

Monica Martinez moved to receive the Treasurer's Report. Darrell Hanson seconded. The motion was approved by unanimous voice vote.

Review of the Executive Committee Meeting

The February, 2009 Executive Committee Meeting was cancelled.

Administrative Report from Executive Director – Bill Smith

The written report was distributed to the Board. Bill Smith briefly discussed some highlights of the report.

Work Group Status Reports

Transmission Cost Allocation WG

- Written report follows minutes
- Randy Rismiller brought up the AEP appeal to the 7th Circuit Court of Appeals, which is referenced in the work group report. The deadline to intervene is March 19th. The Board discussed whether OMS should intervene or file an amicus brief.

MWDRI – Commissioner Lieberman

- Bob Lieberman gave a verbal update on MWDRI. The group is considering how to evolve MWDRI so that it can support the regional planning process.

Markets & Tariffs WG

- Written report follows minutes

Resources WG

- Written report follows minutes

Regional Planning WG

- Written report follows minutes

Governance and Budget WG

- Written report follows minutes

Modeling WG – Commissioner Azar

- Lauren Azar updated the Board on the Modeling work group's activities.
- The WG will be summarizing the state specific data for the upcoming CARP meeting.

Strategic Goal Update

Resolve the Retail Distinctions Goal – Randy Rismiller

- Randy Rismiller discussed the paper and proposal he distributed to the Board that would make a change to the OMS by-laws. His proposal follows the minutes.
- There was discussion about how by-law 13 would need to be read, whether by-law changes need to happen at the annual meeting. The Board also discussed the content of the proposal.
- Following the discussion, it was agreed that Lauren Azar and Bill Smith will confirm the process for amending the by-laws. Once that process is set, this issue will be noticed for discussion and action. There will be enough lead time for Board members to discuss the issue with their state commissions.

Education Goals

- Education goals were not discussed.

BUSINESS

1. MISO Advisory Committee Issues – Quanetta Batts

- The next meeting is scheduled for Wednesday, March 18 and the hot topic is load forecasting.
- There is a vote on Finance Subcommittee members. Bill Smith recommends the OMS vote for Joe Buckley from Ohio. Each candidate is unopposed in their own sector.
- Bill Bokram brought up the FERC Order 719. Quanetta Batts and Bill Bowker requested Bill Smith send them documentation on the FERC Order so they can address any issues that come up at the AC meeting.

2. MISO Planning Advisory Committee – Quanetta Batts

- The March 4th meeting was cancelled. The next meeting is scheduled for April 1st. No agenda is set yet.

3. Approval of the OMS MISO March Hot Topic – Load Forecasting

- Andy Satchwell gave some context from the Resources Work Group and explained the documents that were sent out to the Board. The Board then discussed the documents.
- Randy Rismiller voiced concerns about some wording in Dr. Gotham's presentation regarding under-forecasting – specifically on page 7. It was agreed the language be changed from "Utilities have a financial incentive to project low demand growth and high demand response" to "Utilities may have a financial incentive over-forecast or under-forecast depending upon their circumstances..."
- Randy Rismiller also voiced concern about the language at the bottom of page 8 and the top of page 9 that seems to favor MISO imposed penalties for under-forecasting. The existing Module E proposed action for under-forecasting is to report those LSE's to the applicable regulatory authorities who can then take action. There is concern about jurisdictional slippery-slope. The suggested change was to replace the word penalty with

financial consequences in the following sentences: "Penalties for repeating, systematic errors" and "If the penalty is not large enough, reliability may be compromised."

Tom Pugh moved to approve the Hot Topic document as amended. Greg Server seconded. The motion passed by unanimous voice vote.

4. FTR Task Force – Mike Proctor

Mike Proctor will conduct a FTR primer on Friday, March 13 at 1:00 p.m. CDT. He discussed some of the current background issues regarding FTR.

5. Summary of FERC Technical Conference – March 2, 2009 – President Azar

Lauren Azar provided a verbal summary of the FERC Technical Conference on Integration of Renewable Resources.

6. Price Responsive Demand Proposal – Don Neumeyer

Don Neumeyer gave the Board a progress report. The working group is not yet at the point where they can offer a white paper as a voting item, but good progress is being made.

7. Consulting Proposals – Bill Smith

- Bill Smith discussed the NRRI proposal, a revised proposal from Michigan State and the third option of OMS hiring an internal staff person.
- The Board then discussed these options. During that discussion the NRRI and MSU proposals were rejected.
- The Board's position on hiring is that the idea is worth investigating. There a desire to define the role this hire would fill and establish that this would be more cost-effective than the MSU proposal.
- Indiana volunteered to assist Bill Smith in doing that and bring the information back to the Board.

8. Update on Cost Allocation/Regional Planning – Commissioner Azar

Lauren Azar gave an update on the CARP process. The next meeting is scheduled for March 27 in Chicago. President Azar also gave an update on the RECB task force.

9. Nebraska Power Review Board – Tim Texel

Tim Texel explained the Nebraska Power Review Board situation. The Nebraska Power Review Board has withdrawn its voting membership in OMS Board. It is making a request to be an associate member of OMS.

Darrell Hanson moved to approve the Nebraska Power Review Board's request for associate membership. Greg Server seconded. The motion passed by unanimous voice vote.

10. Intervention in Green Power Express Docket – Jerry Lein

- Jerry Lein explained that the docket was up on March 6th, any intervention by OMS will be out of time.
- The work group's opinion is that the Board should intervene without taking a position for the purpose of place-holding.
- The Board discussed whether to intervene and whether to take no position or to take the position that the process go through the RTO.
- There was a consensus to intervene without taking a position.

11. MWDRI – Commissioner Lieberman

This report was given with the work group status reports.

ADJOURNMENT

The OMS Board of Directors meeting adjourned at 3:15 pm CDT.

Status Report of the OMS Transmission Cost Allocation Work Group—
March 12, 2009

- The most recent conference call meeting of the Transmission Cost Allocation Work Group was held on January 21, 2009 to discuss the cross-border economic project cost allocation proposal of the Midwest ISO and PJM. The Midwest ISO and PJM filed their proposal at FERC on January 28, 2009.
- On or around February 18, 2009, several parties filed Comments at FERC regarding the MISO/PJM cross-border filing. Comments were submitted both supporting and opposing the RTOs' filing. Notably International Transmission Company and American Electric Power Company filed a joint protest. On March 5, 2009, the Midwest ISO and PJM filed a joint response to the joint protesters.
- On February 17, 2009, the American Electric Power Company (AEP) filed an appeal in the 7th Circuit Court of Appeals of FERC's January 31, 2008 and December 19, 2008 Orders that denied AEP's Complaint regarding MISO and PJM transmission rate design. AEP proposed a rate design that would postage stamp the costs of both existing and new high voltage transmission facilities across the combined MISO and PJM regions. FERC denied the proposal. The deadline to intervene in that Circuit Court case is March 19, 2009.

Randy Rismiller
Mike Proctor

The **OMS Markets and Tariffs Work Group** is responsible for: ASM, Day2, FTR, ARR, RSG, LTTR, Market Monitoring and Mitigation, Module F. See <http://www.misostates.org/2008Oct14OMSWGstructureapprovedbyOMSBOD.pdf>

Work Group Issues (in order of importance and urgency):

1. Order 719 Market Monitoring Issues

Address 9 issue areas under the market monitoring category of Order 719 that MISO must address in revised Module D tariff revisions to be filed on 4/28. OMS proposed changes in the 3/3 MSC meeting. The MSC approved 4 motions, one motion failed. OMS withdrew one motion when MISO agreed to provide draft changes. Mike Shields will provide a report to the AC on 3/18.

Status: Review MSC report to AC to determine if OMS verbal support on 3/18 would be helpful. Monitor further tariff changes towards recommending OMS written comments to MISO or FERC if necessary.

2. Revenue Sufficiency Guarantee (RSG)

Jim Wottreng and Brian DeKiep keep the work group up to date. There are potential issues on two fronts: The RSG design going forward, and RSG resettlement.

MISO filed its RSG redesign filing on 2/23. No significant issues came forward for comments, so we took no further action.

OMS 3/2/09 comments to FERC regarding resettlement received media attention.

Status: Monitoring for comment opportunities to MISO and FERC.

3. ASM Issues

Compliance filings are due from MISO on 7/6/09, from MISO's IMM on 3/9, 4/6, and 7/6/09.

Regarding OMS 11/13/08 letter ([http://www.misostates.org/LtrandReporttoMISOonASMIssues\(2\)corrected.pdf](http://www.misostates.org/LtrandReporttoMISOonASMIssues(2)corrected.pdf)) on ASM concerns, MISO has informally responded that they are working on this. Formal response is still pending, including the concern regarding ASM reference prices during the first 90 days of the market.

Status: Reviewing compliance filings for potential issues. Following up on ASM letter.

4. Financial Transmission Rights (FTRs)

There are now two FTR groups within the Midwest ISO (replacing the FTR Funding Task Force on 10/15/08). (1) The MISO FTR Working Group meets each month (3/4, 4/8) with the objective of finding ways to improve funding available to pay FTR revenues. It answers to the MSC. Jim Wottreng tracks issues here for our group.

(2) The FTR Ad Hoc Group answers to the AC, and is looking at the intended purpose of the FTR Auction process and asking whether the current FTR Auction process is meeting its intended purpose. The Group has produced a "white paper" with two attached studies (one from MISO and one from WPPI). The recommendation of the Group is that questions raised in the paper be used as the basis for the Hot Topic on FTRs for June. Mike Proctor tracks issues here for our group.

Status: Mike Proctor will provide a brief summary for OMS BOD. Mike will present an FTR Primer on 3/13 to all interested OMS members.

5. Market Monitoring, Market Power Mitigation, and OMS calls with MISO IMM

Bob Pauley tracks these issues with Nick Bowden.

Status: In the process of setting up calls to follow up on 1/16 meeting and next quarterly call in April. Develop agenda/questions for future calls.

6. Storage Tariff

MISO plans on filing tariff revisions regarding using of energy storage devices after stakeholder discussions in MISO MSC meetings on 3/3 and 4/7.

Status: Monitor for potential issues in stakeholder review and resulting MISO filing.

Other items to monitor, watch and participate in:

- 7. MISO Market Subcommittee** - monthly, next meeting 4/7/09
- 8. FERC Market Oversight Calls** - monthly, next meeting 3/10 3:30 EST
- 9. Duquesne portability agreement ER08-1345-000** – potential MISO filing
- 10. Joint and Common Market** - no date yet for next meeting
- 11. MISO Market Pricing Project** - monitoring for upcoming results.

Chris Ericson and Bill Bokram, Markets and Tariffs Work Group co chairs

To: OMS Board of Directors

From: Bill Bokram

Subject: Summary of 3/3 MISO MSC meeting regarding OMS Order 719 market monitoring issues

Date: 3/12/09

Bill Smith and Bill Bokram presented the OMS comments and six motions regarding Order 719 market monitoring issues¹ to the MISO Market Subcommittee on 3/3.² Four of the six motions passed, one failed, and we tabled one. Bill Smith moved each motion, and David Sapper provided the second. Most of the yes votes came from OMS (12 yes votes) and David Sapper (also representing a group).

The remaining opportunities for OMS input will be during the 3/18 MISO AC meeting, Agenda Item 3, and during the 4/7 MISO MSC meeting.

Here is what happened at the 3/3 MISO MSC meeting:

Motion 1a. IMM Core Functions - Reporting - Passed

The MSC voted 33-1 to support adding a seventh core function to Section 52.3(a) that the market monitor be required to report on whether the Transmission Provider has appropriately identified and mitigated improper market behavior using the market monitor's developed software. Bill Jett asked if OMS meant to limit the IMM report to state commissions or if MISO should also report to market participants. We agreed that MISO could also report to others.

Motion 1b. IMM Core Functions – Distribution Exclusions – Passed

The MSC voted 25-14 to support language changes in Section 52.3(a)(i)(ii) such that the IMM will also notify affected state commissions of IMM recommendations to MISO on market rules and tariff provisions.

Motion 2. IMM Control of Data - Tabled

The OMS tabled its motion. Bill Jett (Duke) raised a concern that OMS proposed change to remove tariff language that refers to IMM exclusive control went too far the other way, forcing MISO to release any information. Greg Troxell (Midwest ISO Legal) agreed, saying that the IMM should decide whether or not data is shared. Greg said that MISO could take the language

¹ see 2/12/09 Board meeting, Business Agenda item 5

² See 3/3/09 MISO MSC meeting Agenda Item 12.

that OMS proposed and add language from Order 719 to address both concerns, and then provide a revision next month.

Motion 3. Tailored Requests for Data From State Commissions – Failed

The MSC voted 21-22 to oppose to simplifying Section 54.3(b) by referring to another section of MISO's tariff. Bill Jett (Duke) and others opposed this change as unnecessary and requiring the IMM to provide beyond its limited resources. Brett Kruse (Calpine) said that David Patton is not shy, so he does not see David failing to share data. Neal Balu (WPS) questioned if this allows states to ask for data from MPs not under their jurisdiction and if states can do that.

Those in opposition pointed to the motion language that said "the market monitor shall fulfill requests" as going beyond what is required under Section 38.9.4 and Attachment EE, what the OMS-proposed change referred to.

Motion 4. IMM Information and Reports - Passed

The MSC voted 27-7 to support MISO clarifying Section 57.1 by expanding the requirements of periodic reports to include Order 719 language.

Motion 5. Referrals to FERC - Passed

The MSC voted 24-13 to support MISO changes to Section 65.3.1 such that state commissions may also be notified of referrals to FERC. Bill Smith said that this motion addresses two concerns: The use of Non-public vs confidential in the tariff language, and that MISO goes back to FERC regarding including states in notification of referrals. MISO said that it is not clear how substituting terms in tariff language would help here. Discussion followed comparing proposed tariff changes with the motion and a request to clarify exactly what OMS wants here. Bill Smith agreed to follow up with MISO.

Reference:

OMS document and motions:

http://www.midwestmarket.org/publish/Document/20b78d_11ef44fc9c0_-7a150a48324a/Item%2012.a%20OMS%20Order%20719%20MM%20memo%20and%20motions.pdf?action=download&_property=Attachment

MISO draft minutes of 3/3/09 MSC meeting:

http://www.midwestmarket.org/publish/Document/20b78d_11ef44fc9c0_-779b0a48324a/March%20Minutes-msc.pdf?action=download&_property=Attachment

The **OMS Resources Work Group** is responsible for: Module E, Resources BPM, LOLE and PRM, Price Responsive Demand, DSM, Energy Efficiency, resource qualification and verification, and resource assessments.

Credit Requirements for Module E

The Midwest ISO is developing credit requirements for, among other things, Resource Adequacy Requirement (RAR). The Resources WG has been following this issue and is working with OMS Markets and Tariffs WG.

Price Responsive Demand Task Force

The Price Responsive Demand Task Force met via conference call on March 4 to discuss a matrix of issues. The Task Force continues to work on resolving several significant outstanding issues and concerns with incorporating price responsive demand in load forecasts.

Midwest ISO's March Hot Topic

Bob Pauley with the Indiana Commission and Doug Gotham with the State Utility Forecasting Group (SUF) have prepared a presentation for the March Advisory Board meeting on load forecasting.

Load Diversity Calculations, Capacity Tracking, and GADS Data Collection

The Resources WG continues to monitor these issues as they are addressed in Midwest ISO stakeholder meetings.

Don Neumeyer and Andy Satchwell, Co-Chairs

OMS Regional Planning Work Group Report
March 12 OMS Board Meeting

1. The OMS Regional Planning Workgroup met by conference call on February 17, 2009. The agenda included:
 - Presentation by ITC on Green Power Express 765 kV project and FERC Section 205 filing.
 - Discussion/summary of RGOS report released February 17
 - Discussion/Summary of JCSP Report
 - Continued discussion of IPTF RPGIP proposal.
- 2 Assisted OMS President Azar in drafting OMS comments for March 4 FERC technical conference on Integrating Renewable Resources Into the Wholesale Electric Grid (Docket No. AD 09-4-000). A WG conference call to discuss drafting comments was held on February 19. The OMS Board approved the draft comments at a special Board meeting on February 24.
- 3 Participated in OMS Cost Allocation and Regional Planning meetings on February 26 and 27.
- 4 Participated in the OMS WG chairs meeting on February 26.

Prepared by Parveen Baig and Jerry Lein, RPWG Co-chairs.

The **OMS Governance and Budget Work Group** (G/B WG) is responsible for assessing the reasonableness of the Midwest ISO's new products and services, strategic plan, short-term and long-term incentive plans, and budgets.

<http://www.misostates.org/WG9LongTermDevelopmentWIP.htm>.

Work Group Update:

1. Midwest ISO Proposed 2009 Incentive Metrics

The G/B WG prepared staff comments there were submitted to the Midwest ISO. The comments focused metrics dealing with reliability, compliance, & markets; financial control; customer service; and strategic initiatives.

2. Midwest ISO Hot Topic regarding Board Responsiveness

The G/B WG prepared draft "Hot Topics" comments that were ultimately adopted by the OMS Board of Directors and submitted to the Midwest ISO. The comments deal with the provisions in the Federal Energy Regulatory Commission's Order 719 dealing with the responsiveness of regional transmission organizations boards to stakeholders concerns. The comments focused on current practices; the ability of diverse stakeholder groups to communicate their views; communications of minority positions; and possible issues for a future workshop on stakeholder communications.

3. Federal Energy Regulatory Commission response to the Government Accounting Office report on Regional Transmission Organizations

FERC has not taken any formal steps in response to this report, though some of the issues are touched on in FERC Order 719.

4. Federal Energy Regulatory Commission audit of the Midwest ISO, FERC Docket PA08-28-000

The Notice was issued May 27, 2008.

5. Midwest ISO budget development

This is an on-going task. G/B WG member, Joe Buckley, of the Ohio Commission staff, is OMS's designated representative on the Midwest ISO Finance Committee.

Upcoming activities:

5. Midwest ISO Strategic Plan

G/B WG will be monitoring and preparing draft comments if necessary.

Report to the OMS Board of Directors
Randy Rismiller
March 12, 2009

I. Introduction

The agenda for the OMS Board's March 12, 2009 meeting contains the following entry under the Strategic Goal Review category: Resolve Retail Distinctions Goal – Update from Randy Rismiller. Prepared remarks for this agenda item are as follows:

II. Summary of the Issue

Article IV, Section 8 is arguably the most important section of the OMS Bylaws. That section states as follows:

8. POSITIONS ON POLICY ISSUES. The Board of Directors will give direction to formation of issue statements, which will then be referred to member state and provincial regulatory authorities. A position approved by a majority of the Board of Directors may be issued as the Organization's position with identification of the participating and non-participating Member authorities. Individual Member authorities retain all rights to object to, support, or otherwise comment on, issues statements of the Organization, including the attachment of a minority report or dissenting opinion, provided it is submitted in a timely manner. The Board of Directors may authorize intervention in proceedings before federal regulatory agencies and in related judicial proceedings to express the Organization's positions, and may authorize the Executive Committee to retain legal counsel to represent the Organization in such proceedings.

Arguably, the most powerful sentence in this section is the second one which states:

A position approved by a majority of the Board of Directors may be issued as the Organization's position with identification of the participating and non-participating Member authorities.

So, a policy position supported by a majority of the OMS Board members is a position of the OMS. It is this feature of the OMS Bylaws that gives policy positions supported by a majority of OMS Board members great power. This is fine if a State finds itself in the majority. It may not be so fine for a State that finds itself frequently in the minority.

Illinois is different from a majority of the OMS States. For example, Illinois is a retail direct access state; Illinois utilities do not own generation, but significant amounts of generation is held by affiliates in a holding company structure and by independent power producers; the Ameren IL zone load is significant, making up approximately 10% of the Midwest ISO's total; and Illinois is divided by two different RTOs. In addition, the Illinois Legislature has specifically directed the Illinois Commerce Commission to "promote the development of an effectively competitive electricity market."

The provision of the OMS Bylaws that respects a minority State's right to object to OMS policy positions, including the right to attach a minority report or dissenting opinion, is a valuable feature. Article IX of the OMS Bylaws is also important because it provides that:

No vote of, or resolution passed by, the Board of Directors has any binding effect upon any state or provincial regulatory authority, or any individual member thereof, in the exercise of the authority's powers.

However, these safeguards do not assuage the harm that can be done to minority state interests by OMS positions. Furthermore, the audience for OMS positions--frequently FERC, MISO, or MISO stakeholders--seem not to make much note of minority State positions when an OMS position is issued.

Section 2.A.2 of the OMS Articles of Incorporation states that the purpose of the OMS is to promote the public interest and social welfare by "Providing a means for the MISO States to act in concert, when deemed to be in the common interest of their affected publics . . ." The key words here are "act in concert" and "in the common interest." This is a proper purpose for the OMS and is in stark contrast to the provision in Article IV, Section 8 of the Bylaws which provides for the establishment of OMS positions even when a minority of States are opposed.

III. Recommendation

Article IV, Section 8 of the OMS Bylaws should be modified to make it more consistent with the statement of purpose in Section 2.A.2 of the OMS Articles of Incorporation. The following modifications are recommended:

8. POSITIONS ON POLICY ISSUES. The Board of Directors will give direction to formation of issue statements, which will then be referred to member state and provincial regulatory authorities. A position approved by a majority of the Board of Directors may be issued as the Organization's position provided that no OMS Board Member votes "no" and with identification of the participating and non-participating Member authorities are identified. If any OMS Board member votes "no" on a proposed position of the Organization, that position shall not be issued as the position of the Organization. Rather, such a position may be issued as the position of the Members supporting the position, with identification of participating, non-participating and non-supporting Members. Under such circumstances, the non-supporting Members will have the right to attach a minority report or dissenting opinion to the position, provided it is submitted in a timely manner. Individual Member authorities retain all rights to object to, support, or otherwise comment on ~~issues statements positions~~ of the Organization, ~~including the attachment of a minority report or dissenting opinion, provided it is submitted in a timely manner.~~ The Board of Directors may authorize intervention in proceedings before federal regulatory agencies and in related judicial proceedings to express the Organization's positions, and may authorize the Executive Committee to retain legal counsel to represent the Organization in such proceedings.

STATE OF NEBRASKA

POWER REVIEW BOARD



Dave Heineman
Governor

February 27, 2009

Timothy J. Texel
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Commissioner Lauren Azar
President, Organization of MISO States
100 Court Avenue – Suite 315
Des Moines, IA 50309

Dear President Azar:

As I believe you are aware, the Nebraska Power Review Board (the Board) considered the issue of its membership in the Organization of MISO States (OMS) during its public meeting held February 20, 2009. During the meeting, the Board approved a motion authorizing me to notify the OMS that, effectively immediately, the Power Review Board is withdrawing its voting membership in the OMS.

The Board's membership in the OMS was predicated on the MISO membership status of the Lincoln Electric System, the municipal electric utility for the City of Lincoln, Nebraska (LES). LES has amended its MISO membership status from a transmission-owning to a transmission dependent utility. Also, Nebraska's transmission-owning electric utilities are pursuing membership as transmission-owning utilities in the Southwest Power Pool. That process is very nearly complete. Due to these changes in circumstance, the Board believes it would be unfair to the other OMS member states for Nebraska to continue as a voting member.

On behalf of the Board and its staff, I would like to express our deepest appreciation for the opportunity extended to the PRB to participate in the OMS and the understanding displayed by its members for the limitations of our small agency. It has been extremely helpful to Nebraska to have the opportunity to be associated with the OMS.

Although the Board is withdrawing its voting membership, the Board's motion also authorized me to make a formal request that the OMS allow the Board to become an Associate Member in OMS. As the Board does have some energy planning functions under Nebraska law (see Neb. Rev. Stat. §§ 70-1012, 70-1025, and 70-1026), this request

Don Kohtz
Waverly
Chair

Michael Siedschlag
Omaha
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Commissioner Lauren Azar
February 27, 2009
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is being made pursuant to Article II, sections 2(a) and (c) of the OMS by-laws. The Board would appreciate the opportunity to continue its relationship with OMS, and to monitor the activities in the MISO region. The Board believes Associate Membership in the OMS presents the best opportunities to accomplish these goals.

If you or the OMS staff have any questions or need any further information, please contact me at 402-399-1220, or you can contact the Board's executive director, Tim Texel, at the number on this letterhead.

Sincerely,

NEBRASKA POWER REVIEW BOARD

A handwritten signature in black ink, appearing to read "Michael Siedschlag", written over a horizontal line.

Michael Siedschlag
Chairman



Organization of MISO States

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OMS Executive Director Report March 11, 2009

FERC and DOE Activity

1. On February 19, the FERC issued orders resolving rehearing and compliance matters with respect to Midwest ISO's resource adequacy filings. 126 FERC ¶61,143 and 61,144.
 - The Commission agreed to the distinction OMNS urged between Demand Resources and Behind the Meter Generation for netting Load forecasts.
2. Also on February 19, the FERC rejected to Midwest ISO's Market Expansion proposal, Module F, because of the risk that members might be induced to leave RTOs. 126 FERC ¶61,139.
3. The OMS filed comments on the Midwest ISO's Revenue Sufficiency Guarantee (RSG) procedures on March 2 in FERC Dockets No. ER04-691, EL07-86, EL07-88, and EL07-92. The comments encourage the FERC to avoid accumulation of additional RSG costs due to credit issues.
4. OMS President Lauren Azar gave a keynote presentation at the FERC Technical Conference on Integrating Renewable Resources, Docket No. AD 09-4, on March 2. The OMS submitted written comments on February 24.

OMS-MISO Activity:

1. The OMS held a second cost allocation / regional planning (CARP) workshop in Carmel on February 26-27 to begin discussion of regional planning. The next meeting is planned for March 27 at O'Hare.
2. The OMS submitted six motions to the MISO Markets Subcommittee meeting on March 3. The motions were aimed at improving the draft market monitoring provisions for the Midwest ISO's compliance filing to FERC on Order 719.

Public Relations

1. Presentations:

- Commissioner Azar gave a presentation to the Midwest Chapter of the Energy Bar Association on March 5.
- Bill Smith gave a presentation to the Energy Subcommittee of the Iowa House of Representatives on March 4, summarizing the transmission planning process.

2. Pending speaking/meeting invitations:

- Bill Smith has been asked to summarize the OMS strategic plan for an OPSI planning meeting on March 30.
- Bill Smith has been invited to speak at the Energy Bar Association annual conference on April 23.

Upcoming MISO Filings of Regional Interest

Filing Date	Docket No.	Description	Pursuant to Commission Order	Working Group/Committee where issue/change will be reviewed
03/09/2009	ER07-1372-007	The IMM to submit an informational report pursuant to the Commission's December 18, 2008 Order regarding the Midwest ISO's April 25, 2008 ASM Compliance Filing.	125 FERC ¶ 61, 319 (2008)	N/A
04/28/2009	ER09-____-000	The Midwest ISO to submit a compliance filing pursuant to Order No. 719.	Order No. 719	N/A
June 2009	ER07-1372-00_	The Midwest ISO to submit a 180-day Report to the Commission on the merits of instituting a minimum reserve zone size.	122 FERC ¶ 61, 172 at P 240 (2008)	N/A
07/06/2009	ER07-1372-002 ER08-1254-000 ER08-1257-000 ER07-1372-005 ER09-24-000	The Midwest ISO to submit an informational report pursuant to the Commission's December 18, 2008 Order Authorizing the Midwest ISO ASM Start-Up.	125 FERC ¶ 61, 318 (2008)	N/A

OMS Executive Director Report

March 11, 2009

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07/06/2009	ER07-1372-002 ER08-1254-000 ER08-1257-000 ER07-1372-005	The IMM to submit an informational report pursuant to the Commission's December 18, 2008 Order Authorizing the Midwest ISO ASM Start-Up.	125 FERC ¶ 61, 318 (2008)	N/A
08/03/2009	ER09-___-000	The Midwest ISO to submit a report to analyze the effectiveness of the transmission expansion cost allocation methodologies.	118 FERC ¶ 61, 209 at P 203 (2007)	N/A

Other upcoming dates:

- Next OMS Executive Committee meeting: **March 26** at 1:00 pm CDT
- OMS Cost Allocation and Regional Planning Meeting, Chicago, **March 27**
- Next OMS regular Board of Directors meeting: **April 9** at 1:00 pm CDT
- MISO Stakeholder Meeting, **April 14-15**, 2009
- OMS Cost Allocation and Regional Planning Meeting, **June 17-18**, Traverse City

OMS

Organization of MISO States
Report of the Treasurer
Tom Pugh, Minnesota Public Utilities Commission
to the
Board of Directors
March 12, 2009
Report for February 2009

CASH ON HAND

The beginning balance as of February 1 for the Wells Fargo Business Performance Savings Account was \$59,512.06. Interest earned for this month was \$22.83. An additional miscellaneous deposit of \$20.00 was also made. The February 28, 2009 balance was \$59,554.89.

The beginning balance as of February 1 for the Chase Bank One Checking account was \$23,257.32. The total disbursements from the checking account for February 2009 were \$47,076.18. Deposits, interest and adjustments were \$80,000.51. As of February 28, 2009, the checking account bank balance was \$59,102.07 and the book balance was \$56,181.65 (with 6 checks outstanding).

The total savings and checking account balances as of February 28, 2009 is \$115,736.54



TREASURER'S REPORT
Organization of MISO States
February 28, 2009

Wells Fargo Business Performance Savings Account

Balance as of 02/01/09			\$	59,512.06
2/17/09	DEP	Meal Reimbursement	\$	20.00
2/28/09	DEP	Interest on Savings	\$	22.83
				<hr/>
Business Performance Savings Account Balance at 02/28/09			\$	<u>59,554.89</u>

Chase Bank One Commercial Checking with Interest

Balance as of 02/01/09			\$	23,257.32
	DEP	MISO Remittance	\$	80,000.00
	DEP	Interest onChecking	\$	0.51
		Total Deposits	\$	<u>80,000.51</u>

Checks and Charges

Date	Check #	Descriptions		
1/30/09	200	401(k) Contribution - January	\$	671.36
1/30/09	202	401(k) Contribution - January	\$	2,099.63
1/30/09	204	401(k) Contribution - January	\$	80.55
2/4/09	2880	KY Travel Reimbursement	\$	123.39
2/4/09	2881	MT Travel Reimbursement	\$	1,437.83
2/4/09	2882	Triplett Office Essentials	\$	169.23
2/4/09	2883	Combined Systems Technology	\$	1,293.20
2/4/09	2884	DWX Internet - February	\$	35.00
2/9/09	2885	MI Travel Reimbursement	\$	76.00
2/9/09	2886	MI Travel Reimbursement	\$	194.44
2/9/09	2887	PA Travel Reimbursement	\$	581.14
2/11/09	2888	IA Travel Advance	\$	300.00
2/11/09	2889	IL Travel Reimbursement	\$	580.20
2/11/09	2890	IL Travel Reimbursement	\$	478.50
2/11/09	2891	Void	\$	-
2/11/09	2892	ND Travel Reimbursement	\$	81.50
2/11/09	2893	IA Travel Reimbursement	\$	25.15
2/12/09	2894	Void	\$	-
2/12/09	2895	IA Travel Reimbursement	\$	43.50
2/12/09	2896	WI Travel Reimbursement	\$	230.16
2/12/09	2897	WI Travel Reimbursement	\$	151.77

2/12/09	2898	IN Reimbursement	\$	739.12
	2867	Void - Check Lost	\$	(105.99)
2/20/09	2899	Replace Ck 2867	\$	105.99
2/20/09	2900	Office Reimbursement	\$	105.99
2/20/09	2901	Triplett Office Essentials	\$	120.06
2/20/09	2902	100 Court Investors	\$	1,686.42
2/20/09	2903	Intercall	\$	4,703.08
2/20/09	2904	Qwest	\$	631.12
2/20/09	2905	Ryan, Givins & Co. PLC	\$	415.00
2/20/09	2906	DWX Internet - March	\$	35.00
2/20/09	2907	IA Travel Reimbursement	\$	615.70
2/20/09	2908	IA Travel Reimbursement	\$	359.98
2/20/09	2909	SD Travel Reimbursement	\$	106.00
2/20/09	2910	SD Travel Reimbursement	\$	744.70
2/20/09	2911	SD Travel Reimbursement	\$	1,117.00
2/20/09	2912	ED Travel Reimbursement	\$	35.36
2/27/09	206	401(k) Contribution - February	\$	555.24
2/27/09	208	401(k) Contribution - February	\$	2,099.63
2/27/09	210	401(k) Contribution - February	\$	80.55
2/10/09	W/D	Paychex Invoice	\$	108.13
2/20/09	Epay	Chase Card Services	\$	8,608.14
2/26/09	W/D	Paychex Payroll	\$	9,872.79
2/27/09	W/D	Paychex Payroll Taxes	\$	5,684.62

Total Checks and Charges \$ 47,076.18

CHECKING ACCOUNT BALANCE 02/28/09 \$ 56,181.65

CERTIFICATES OF DEPOSIT, SAVINGS AND CHECKING ACCOUNT BALANCES AS OF 02/28/09 \$ 115,736.54

CHASE CHECKING ACCOUNT RECONCILIATION

	<u>Check #</u>	<u>Amount</u>
Bank Balance 02/28/09		\$ 59,102.07
Less Checks OS	2468	\$ 74.00
	2885	\$ 76.00
	2906	\$ 35.00
	206	\$ 555.24
	208	\$ 2,099.63
	210	\$ 80.55
		<u>\$ 56,181.65</u>
Book Balance 02/28/09		<u>\$ 56,181.65</u>